VZCZCXRO5104 PP RUEHMR RUEHRN DE RUEHKI #0128/01 0321423 ZNY CCCCC ZZH P 011423Z FEB 07 FM AMEMBASSY KINSHASA TO RUEHC/SECSTATE WASHDC PRIORITY 5530 INFO RUEHXR/RWANDA COLLECTIVE PRIORITY RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY RUEATRS/DEPT OF TREASURY WASHDC PRIORITY RHMFISS/HQ USEUCOM VAIHINGEN GE PRIORITY RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KINSHASA 000128

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TREASURY FOR OWHYCHE-SHAW

E.O. 12958: DECL: 02/02/2017 TAGS: EFIN ECON EAID KCOR PGOV CG

SUBJECT: WORLD BANK IN LISTENING MODE, GEARING UP FOR

WOLFOWITZ VISIT TO DRC

REF: KINSHASA 1857

Classified By: EconCouns Greg Groth for reasons 1.4 (b) and (d)

- $\P1$. (C) Summary. World Bank representatives, in Kinshasa to talk with donors about the Bank's program for 2007, expressed particular interest in and concern over Security Sector Reform issues. They agreed with the Ambassador that the handing over of the fully drafted Governance Compact to the GDRC by the EU had been premature, but said that the Country Assistance Framework would be a good vehicle for GDRC/donor collaboration on assistance issues. Bank officials indicated they would be listening closely to bilateral and multilateral donors in order to improve coordination at this critical juncture. They indicated that their trip was also in preparation for a planned spring visit to the DRC by WB President Paul Wolfowitz. End summary.
- ¶2. (SBU) Ambassador, USAID Director and Econcouns met January 22 with World Bank (WB) officials Robin Cleveland, Counselor to WB President Paul Wolfowitz; Pedro Alba, Washington-based Country Director for the DRC; Jean-Michel Happi, DRC Resident Representative; and Auguste Tano Kouame, Special Assistant to Wolfowitz. Bank officials were in a listening mode and had met already with, among others, several European embassies, the IMF resident representative, and President Kabila.

Security Sector Reform

- 13. (SBU) The WB officials showed particular interest in Security Sector Reform (SSR) issues. Cleveland said that Wolfowitz had recently met with Javier Solano, Louis Michel and Jean-Marie Guehenno in Brussels, and that Wolfowitz had come away with the impression that there was not yet a unified position, particularly between the UN and EU, on how to address critical DDR/SSR issues and who would do what.
- $\P4$. (C) The Ambassador noted that many different players are active on SSR in a number of sectors. The Bank, for example, has been involved in DDR, though very little has been done in re-integration -- an area that needs urgently to be addressed. CONADER (funded by the Bank) has been mismanaged and ineffective, and a choice needs to be made whether to eliminate it and start all over, or to address the most egregious of ${\tt CONADER's}$ many problems now so that DDR can continue. While re-starting from scratch might under other circumstances make sense, the down side would be that there is simply no time to lose in the DDR process. The Ambassador also said that another top priority is administrative reform

of the DRC military. Bank officials agreed that with a new government about to be installed, this is the best opportunity and time for getting things right in the DRC, and that the results here would have positive effects for the whole region.

Governance Compact, Country Assistance Framework

15. (C) Regarding the WB/EU-led Governance Compact (GC), Cleveland said that she had been taken by surprise when European Commissioner for Development and Humanitarian Aid Louis Michel handed the GC over to the GDRC. She agreed with the Ambassador that this had been premature, risked having the GDRC accept the document only to lay it aside, and that it would have been better to have given main points of the GC to the Congolese President or Prime Minister for consultation before moving to a final draft. She said that it was necessary to avoid any semblance of an ultimatum and rather to allow for the balance necessary in a true partnership between the DRC and the international community. Cleveland said she would share this view with Wolfowitz, and that the tactics used in approaching the GDRC should not undermine the strategy in place. The Ambassador suggested that an effective approach might be for the international community to applaud President Kabila for his strong public statements on good governance, for example in his December 6 inauguration address, and to initiate a dialogue as to how this can be translated into a concrete action plan.

 $\underline{\ \ }$ (SBU) Regarding the Country Assistance Framework, Happi noted that the new government, once installed, would likely

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want to review and comment on the DRC Poverty Reduction Strategy Paper (PRSP), given to the IMF and WB in mid-2006, and suggested that the CAF would be the best method for the international donor community to support the PRSP and work with the GDRC on assistance issues.

Bank Interaction with Donors and Next Steps

17. (SBU) On donor coordination, Cleveland said Wolfowitz wants to tackle the division of labor between bilateral and multilateral donors, but not in order to make a hard and fast determination of who does what where. Instead, she said, the WB is willing to get behind what other donors are doing (or intending to do) while at the same time trying to avoid spreading itself too thinly. Ambassador suggested that it would be helpful to determine from donors where their "fixed points" are (i.e., to identify who has already committed to do what), and to coordinate from there. Cleveland mentioned specifically the areas of road infrastructure, water treatment, and agriculture as areas of WB interest in the DRC. She noted that the WB had lost more than half of its technical experience in agriculture over recent years and needed to strengthen itself internally in that sector. Cleveland said that she would be sharing the information received from the various donors in the DRC with Wolfowitz in preparation for his visit to the DRC. Cleveland indicated that the Wolfowitz trip might be made in conjunction with a Louis Michel visit, but that it would definitely take place sometime in the spring.

Comment

18. (SBU) The issue of internal WB problems in the DRC, despite brief mention of the CONADER situation, did not come up in the discussions. This may have been simply because the results of the WB internal investigations have still not been provided to Alba and Happi (as was the case in December) or

perhaps because Cleveland did not want to discuss these issues in front of the DRC resident representative. It is good to see, however, that the WB is making an effort to listen to donors and intends to use that information to brief Wolfowitz and to plan for 2007 and beyond. End comment. MEECE